

## Message Text

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ACTION EA-09

INFO OCT-01 EUR-12 IO-13 ISO-00 SP-02 USIA-06 AID-05  
EB-08 NSC-05 TRSE-00 SS-15 STR-04 OMB-01 CEA-01  
CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02  
OPIC-03 LAB-04 SIL-01 IGA-02 AGRE-00 /104 W  
-----281205Z 025774 /41

R 280823Z APR 77  
FM AMEMBASSY TOKYO  
TO SECSTATE WASHDC 7339  
INFO AMEMBASSY LONDON  
AMEMBASSY BONN  
AMEMBASSY PARIS  
AMEMBASSY TORONTO  
EC MISSION BRUSSELS 2089  
MTN GENEVA 2128

CONFIDENTIAL TOKYO 6285

E.O. 11652: GDS  
TAGS: ECIN, JA  
SUBJECT: JAPAN AND TRADE ISSUES AT THE SUMMIT

1. PRIME MINISTER FUKUDA GOES TO LONDON WITHOUT ANY EASY SOLUTIONS IN SIGHT TO THE NAGGING AND PROLIFERATING COMPLAINTS ABOUT JAPANESE TRADE BESETTING JAPAN ON ALL SIDES. ALTHOUGH MANY OF THESE ISSUES ARISE OUT OF JAPAN'S OWN VIGOROUS MARKETING EFFORTS ABROAD, THE MOOD HERE IS ONE OF INCREASINGLY UNCOMFORTABLE ISOLATION FROM ITS TRADING PARTNERS, INCLUDING THE US. THE USG HANDLING OF FOOTWEAR, TV AND OTHER ISSUES HAS BEEN ONLY PARTIALLY REASSURING. FEARS THAT INCIPIENT PROTECTIONISM MAY IRRESISTIBLY SPREAD FROM INDUSTRY TO INDUSTRY REMAIN STRONG. FUKUDA HAS REPEATEDLY, AND PUBLICLY SAID THAT HE WANTS TRADE ISSUES HANDLED REALISTICALLY AND EXPEDITIOUSLY. BUT THE BUREAUCRACY AND INDUSTRY HAVE ALL TOO OFTEN PROVEN TO BE UNWILLING TO HAVE JAPAN SACRIFICE ITS INTERESTS FOR WHAT ARE PERCEIVED AS OTHER COUNTRIES' STRUCTURAL PROBLEMS. THE GENERAL JAPANESE STRATEGY HAS

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BEEN TO KEEP NEGOTIATIONS GOING AND CONCEDE AS LITTLE AS POSSIBLE IN THE EXPECTATION THAT WORLD ECONOMIC RECOVERY WILL MITIGATE MUCH OF THE PRESSURE.

2. AS A MAN OF LONG AND DEEP ECONOMIC EXPERIENCE FUKUDA KNOWS CURRENT TRADE PROBLEMS HAVE STRUCTURAL, CYCLICAL AND SYSTEMIC ELEMENTS. HE OBVIOUSLY WOULD PREFER THAT THE SUMMIT CONCENTRATE

ON THE LAST AREA, PROVIDING POLITICAL IMPETUS FOR LOWER LEVEL EXCHANGES TO WORK OUT CONCRETE SOLUTIONS. BUT DESPITE OFT-REPEATED REFERENCES TO THE FAILURE OF THE 1933 LONDON CONFERENCE TO PLACE THE WORLD ECONOMY IN ORDER, FUKUDA WILL PROBABLY NOT BE PREPARED TO OFFER ANY SIGNIFICANT JAPANESE INITIATIVES ON THE MAJOR ISSUES TO BE DISCUSSED AT THE SUMMIT. HE HAS STRONG PRO-AMERICAN FEELINGS AND WILL SUPPORT OUR INITIATIVES WHENEVER HE CAN WITHOUT BECOMING ENMESHED IN CONTROVERSY. WE EXPECT HE WILL FAVOR A STRONG FREE TRADE PLEDGE AND SUPPORT PROGRESS BUT NOT HASTE IN THE MTNS, ESPECIALLY WITH REGARD TO THE POLITICALLY SENSITIVE TREATMENT OF AGRICULTURE ISSUE.

SHOESMITH

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE, MEETING AGENDA, SUMMIT MEETINGS  
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**Disposition Approved on Date:**  
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**Disposition Date:** 22 May 2009  
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**Enclosure:** n/a  
**Executive Order:** GS  
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**TAGS:** ECIN, ETRD, JA  
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**Review Markings:**  
Margaret P. Grafeld  
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